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E-Commerce Service & Perception of Customers

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Abstract

In order to gain competitive edge in the market, marketers need to know the consumer behavior in the field of e-commerce. So, it is important to analyze and identify the factors which influence consumers to shop online in order to capture the demands of consumers. Other than the factors which influence consumers to shop online, online shopper's demography in terms of Age, gender, income and education is equally important to define their strategies accordingly. The primary objective is to study the perception of customers towards e-commerce reference to E-Commerce service providers. Secondary objectives are to assess the various factors considered before making a purchase from the e-commerce websites, understand the most preferred e-commerce website, study the frequency of purchase through e-commerce website and find out the preferences of the consumer regarding the attributes of online shopping website. The various steps that generate adopted by a researcher in studying the research problem along with the logic behind them is studied. From the data collected above we can observe that there is an increase in the number of respondents in e-commerce as there is awareness about this concept in the market. E-Commerce service providers is planning a launch a new e-commerce website to tap the growing demand for the e-commerce. This study has been taken to get an overview about the attitude of the online purchaser to add value to their e-commerce website under development. The various drawbacks faced by the online shoppers in other e-commerce websites has to be studied and a new technically upgraded e-commerce website need to be developed to satisfy the online shoppers. The main theme of the study is to know the factors that influence the consumer's attitudes and behaviors towards e-commerce. The problem area that is Consumers perception towards e-commerce will determine

the attractive factors that influence consumers to shop online and those factors will help marketers to formulate their strategies towards online marketing respectively.

Introduction

The trend of e-commerce has increased rapidly in the recent years with the development of internet and due to the easy accessibility of internet usage. Easy access to internet has driven consumers to shop online Books, airline tickets/reservations, clothing/shoes videos/games and other electronic products are the most popular items purchased on the internet. Through electronic marketing and internet communication business firms are coordinating different marketing activities such as market research, product development, inform customers about product features, promotion, customer services, customer feedback and so on. E-commerce is used as a medium for communication and electronic commerce, it is to increase or improve in value, quality and attractiveness of delivering customer benefits and better satisfaction, that is why e-commerce is more convenient and day by day increasing its popularity. The two most commonly cited reasons for e-commerce have been convenience and price. The capability of purchasing without leaving your place is of great interest to many consumers. Not only does e-commerce offer really good deals, but also brings optimum convenience to the consumers. Moreover, the use of Internet tools for price searching and comparison provides an additional advantage in consumers' final decision, as they can purchase their desired products in the lowest available price. Not only benefits also risk is associated with e-commerce. Generally, internet users avert e-commerce because of credit-card fraud, lack of privacy, non-delivery risk, lack of guarantee of quality of goods and services. On the other hand, E-commerce has grown very fast because of many advantages associated with buying on internet because of lower transaction and search cost as compared to other types of shopping. Through e-commerce consumers can buy faster, more alternatives and can order product and services with comparative lowest price. The rapid growth of e-commerce in India is being driven by greater customer choice and improved convenience.

Problem Statement

E commerce service providers needed to invest in a model which helps overcome geographical limitations and gain vast number of customers with search engine visibility. To obtain lower cost,

the company has adopted e-commerce as it's appropriate model. The employees are required to be trained, educated and exposed to the new technology.

Need for the study

E-Commerce service providers is planning to launch a new e-commerce website to tap the growing demand for the e-commerce. This study has been taken to get an overview about the attitude of the online purchaser to add value to their e-commerce website under development. The various drawbacks faced by the online shoppers in other e-commerce websites has to be studied and a new technically upgraded e-commerce website need to be developed to satisfy the online shoppers. The main theme of the study is to know the factors that influence the consumer's attitudes and behaviors towards e-commerce. The problem area that is Consumers perception towards e-commerce will determine the attractive factors that influence consumers to shop online and those factors will help marketers to formulate their strategies towards online marketing respectively.

Objectives

- To study the perception of customers towards e-commerce reference to E-Commerce service providers.
- To assess the various factors considered before making a purchase from the e-commerce websites.
- To understand the most preferred e-commerce website.
- To measure the frequency of purchase through e-commerce websites.
- To make suitable suggestions to improve the e-commerce.

Scope of the study

In order to gain competitive edge in the market, marketers need to know the consumer behavior in the field of e-commerce. So, it is important to analyze and identify the factors which influence consumers to shop online in order to capture the demands of consumers. Other than the factors which influence consumers to shop online, online shopper's demography in terms of Age, gender, income and education is equally important to define their strategies accordingly. As e-commerce is a new medium so the consumer behavior in the field of e-commerce is also pretty diverse in

nature compare to traditional consumer behavior, so it is equally important for one to identify what factors influence consumers to shop online. In order to reach towards purchase decision, it consists of several factors which influence consumers to shop online. These factors are important for retailers to compete in the market and to make their product more compatible.

Literature Review

Abhijit Mitra, A study on E-commerce in India, Internal journal of marketing, Vol.2, No. 2, February (2013)

Electronic commerce or business is more than just another way to sustain or enhance existing business practices. Rather, e-commerce is a paradigm shift. It is a "disruptive" innovation that is radically changing the traditional way of doing business. Ecommerce is showing tremendous business growth in our country. Increasing internet users have added to its growth. Ecommerce has helped online travel industry in many ways and added a new sales avenue through online retail industry in our country. The present study has been undertaken to describe the present status and facilitators of ECommerce in India, analyse the present trends of E-Commerce in India and examine the barriers of E-Commerce in India.

Dr. Rajasekar & Sweta Agarwal, A study on impact of e-commerce on India's Commerce, International Journal of Development, Research Vol. 6, March 2016

E-commerce involves an online transaction. E-commerce provides multiple benefits to the consumers in form of availability of goods at lower cost, wider choice and saves time. The general category of ecommerce can be broken down into two parts: E-Merchandise & E-finance. Many companies, organizations, and communities in India are doing business using E-commerce and are adopting M-commerce for doing business. Ecommerce is showing tremendous business growth in India. Increasing internet users have added to its growth. Despite being the second largest user base in world, only behind China (650 million, 48% of population), the penetration of e-commerce is low compared to markets like the United States (266 M, 84%), or France (54 M, 81%), but is growing at an unprecedented rate, adding around 6 million new entrants every month. The industry consensus is that growth is at an inflection point. India's ecommerce market was worth about \$3.9 billion in 2009, it went up to \$12.6

billion in 2013. In 2013, the e-retail segment was worth US\$2.3 billion. About 70% of India's e-commerce market is travel related. According to Google India, there were 35 million online shoppers in India in 2014 Q1 and is expected to cross 100 million mark by end of year 2016. By 2020, India is expected to generate \$100 billion online retail revenue out of which \$35 billion will apparel sales are set to grow four times in coming years. This paper is outcome of a review of various research studies carried out on Impact of E-commerce on Indian Commerce.

Dr. (Smt.) Rajeshwari M. Shettar, Emerging trends of e-commerce in India: an empirical study, International Journal of Business and Management Invention, Volume 5 Issue 9 September. 2016

E-commerce stands for electronic commerce. E-commerce is doing business online and electronically. The E-commerce has completely revolutionized the conventional concept of business. Ecommerce deals with selling and purchasing of goods and services through internet and computer networks. This paper attempts to highlight the different challenges faced by the E-commerce in India, understand the essential growth factors required for E-commerce, describes the prosperity of E-Commerce in India and retail E-Commerce sales in India. The study found that, in the world of E-commerce, the existence of the wholesalers is at the greatest risk because the producer can easily ignore them and sell their products to the retailers and the consumers. Wholesalers can take the advantage of E-commerce in establishing contracts with reputed producers and linking their business with the online. The study also found that, E-commerce provides the various types of opportunities to the wholesalers, retailers, producers and the People.

Nitika Goyal & Deepam Goyal, Impact of E-Commerce in India: Issues & Challenges. International journal of Advanced research in computer science, 7(6).

Commercial center is quick transforming into e-commercial center now. Right from needle to ship, everything can be purchased on the web. With new and new players coming in, it is yet common for the current players and new contestants to think of creative systems to offer their merchandise and services. Electronic commerce is more than simply one more approach to support or improve existing businesses. Or maybe, e-commerce has brought revolutionary changes in the marketplace. It is a problematic invention that is drastically changing the

conventional method of doing business. Ecommerce is paving way for huge business development in our nation. Expanding web clients have further added to its development. Ecommerce has made online travel industry grow through numerous methods and included another business boulevard through online retail industry in our nation. The current study has been attempted to portray the present scenario and facilitators of E-Commerce in India, dissect the present patterns of E-Commerce and look at the obstructions of E-Commerce in India.

Research Methodology

The research performed through the study is descriptive research. A descriptive study is undertaken in order to ascertain and be able to describe the characteristics of variables of interest in a situation. Descriptive research or statistical research provides data about the population or universe being studied.

Sample Size

It refers to the number of elements of the population to sample. The sample size chosen for the survey is 101.

Data Analysis

TABLE 1: Products that prefer to buy online.

	Frequency	Percent
Fashion and accessories	32	32.0
Books	25	25.0
Home appliances and furniture	9	9.0
Toys	5	5.0
Electronic gadgets	30	30.0
Total	101	100

(Source: Primary data)

From the above table it is evident that the majority of the respondents prefer to buy fashion and accessories though online

TABLE 2: Frequently visited website for e-commerce from the given list.

	Frequency	Percent
indiavarta.com	6	6
flipkart.com	19	19
ebay.com	13	13
snapdeal.com	15	15
jabong.com	11	11
myntra.com	10	10
home_shop18.com	8	8
yebhi.com	7	7
inkfruit.com	5	5
fashionandyou.com	4	4
junglee.com	3	2
Total	101	100

(Source: Primary data)

It is very clear that the majority of the respondents are frequently visited flip kart followed by snap deal for e-commerce activities.

Statistical Analysis

Correlation

		Shopping on the internet saves time and cost	Great advantage to be able to shop at any time of the day on the internet
Shopping on the internet saves time and cost	Pearson Correlation	1	.940**
	Sig. (2-tailed)		.000
	N	101	101
Great advantage to be able to shop at any time of the day on the internet	Pearson Correlation	.940**	1
	Sig. (2-tailed)	.000	
	N	101	101
**. Correlation is significant at the 0.01 level (2-tailed).			

From the result it was evident that there exists a correlation between Shopping on the internet saves time and cost and Great advantage to be able to shop at any time of the day on the internet

Findings

- Certain parameters which motivates the user to shop online are:
 - User friendliness of the website.
 - Discounts and offers, offered by the website.
 - Cash on delivery form an important gateway in online transaction.

- Free shipping is the most important factor which motivates the user to shop online.
- The distribution of sample shows that 40% of the respondents use internet shopping more than 5 times a month
- 21% of the customers shop when they want to shop for personal needs and when they come across a product which have been searching for quite some time
- 32% of the customers shop online for fashion and accessories and 28% of the customers shop for electronic gadgets. 25% of the customers shop for books and 9% shop for home appliances and furniture, whereas only 5% of the customers shop for toys.
- 54% of the customers opt for cash on delivery, 21% debit card purchase, whereas only 14% and 11% of the customers have opted for credit card purchase and internet banking.
- 55% of the customers agree that shopping online saves time and cost,
- 75% of the customers consider privacy of payment credentials to be very important factor in making a purchase online. 65% of the customers consider delivery time as the important factor for making an online purchase
- social media links are the main source of information from which customers very often find the products and services
- 45% of the customers face the problem of delay in delivery. It is also found out that more than 35% of the customers rarely face the problem in payment issues.
- 77% of the respondents says they are satisfied with the service provided by the website
- It is found that 72% of the customers don't reconsider coming back to the website for further purchase once they are dissatisfied and only 26% reconsider coming back only when there is proper response from the customer care executive in handling the problem effectively.

Suggestions

- To improve the user friendliness and ensure a good web design for the ecommerce website that is easy to navigate for the customers.
- Promotion through e-mailers, SMS campaigns and make sure to use words that will place the e-commerce website in the search engine results.
- From the analysis it is found out that people prefer buying books and fashion & accessories the most. So, the products must be enhanced accordingly.

- It is a must to check on the delivery time of the product and proper response of the customer care executive because customers once dissatisfied don't prefer coming back to the same e-commerce website for another purchase.
- Mode of payment is another important factor which determines the level of traffic that approaches an e-commerce website. From the analysis it is found out that most customers prefer Cash on Delivery mode of payment.
- It is found that the customers are very particular about their payment credentials and offers/discounts on products, so it is necessary to improve on these aspects. It is also inferred that clarity in description of the products and pre/post sales services are also some of the factors that influence the attitude towards an e-commerce website.

Ending Remarks

Consumer's perception towards e-commerce refers to their psychological state in terms of making purchases over the Internet. Online buying behavior process refers to the products purchased online. The process of online buying behavior consists of five steps and it is similar to traditional shopping behavior. For instance, consumer recognize the need for buying some product (book), they refer to the internet to buy online and start to search for the information and look for all the alternatives and finally make a purchase which best fits to their needs. Before making final purchase, consumers are bombarded by several factors which limits or influence consumers for the final decision. Specially understanding the consumer's attitudes towards e-commerce, making improvement in the factors that influence consumers to shop online and working on factors that affect consumers to shop online will help marketers to gain the competitive edge over others.

From the above data analysis, it can be concluded that consumer buys goods from the e-commerce website on the basis of factors like offers and discounts, variety of product available, free home delivery, website user friendliness and cash of delivery payment option. I would hence conclude that e-commerce has gained a considerable move from traditional shopping due to the convenience it provides to shop at any time of the day, time and cost factor and the broad range of products available just a click away.

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